ANNUAL REPORT 1992

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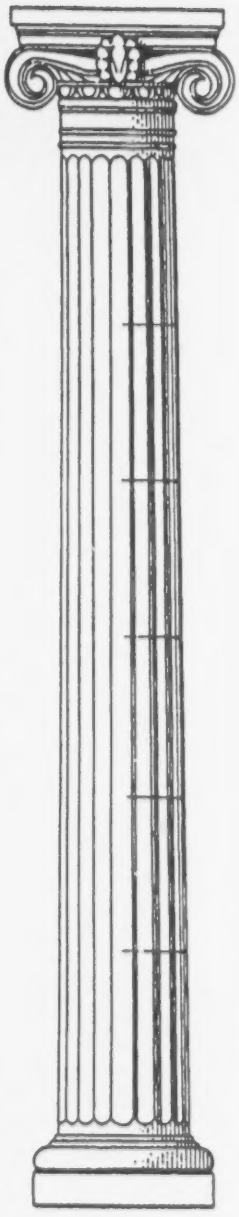
State of Illinois
Department of Financial Institutions

Jim Edgar
Governor

Gilbert G. Ruiz
Director

CREDIT UNIONS · CONSUMER CREDIT · CURRENCY EXCHANGES · UNCLAIMED PROPERTY



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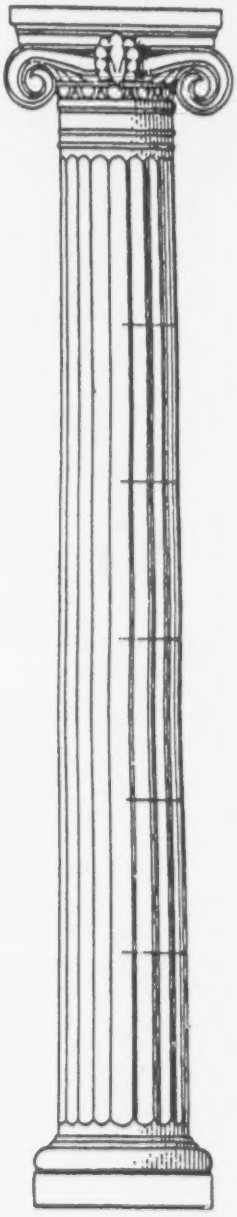


Jim Edgar
Governor

Gilbert G. Ruiz
Director

March 1993

Dear Governor Jim Edgar, Members of the Illinois General Assembly, and citizens of Illinois:

I am proud to present the 1992 Annual Report of the Department of Financial Institutions. This report reflects the accomplishments made by our very talented and dedicated staff. Our achievements were many and varied, all completed with the same goal in mind: meeting Governor Edgar's call for excellence in state government service.

This past year saw passage of an important piece of legislation, S.B. 1949, reducing the dormancy period for unclaimed property from seven to five years. The additional $50 million in revenues made possible through the change in state law fulfills Governor Edgar's April budget message pledge to increase funding levels in the five state retirement systems.

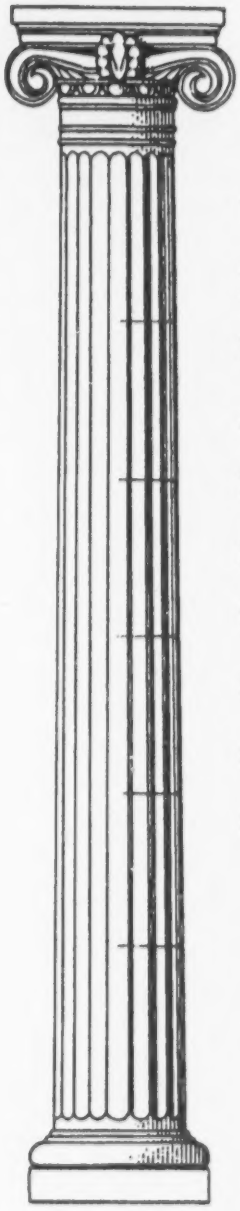
Once again, the Department broke previous years' records with the collection of $44,342,617 in unclaimed assets. This represents a 65% increase over FY '90 and an 18% increase over FY '91. We processed 23,335 unclaimed property inquiries that resulted in 7,136 claims approved for the return of $8,213,229 to unclaimed property owners — another record and a 25% increase over last year.

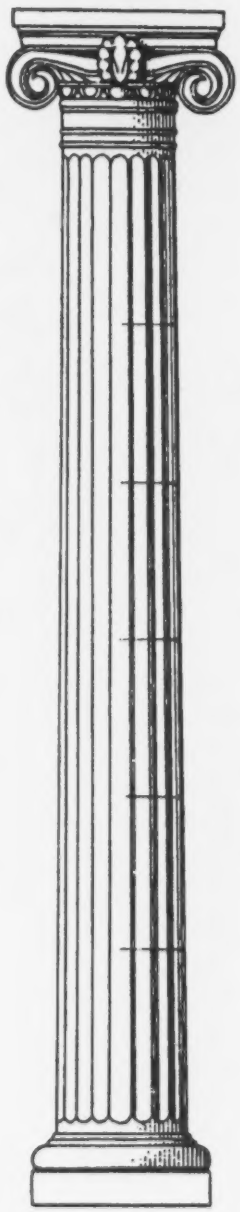
The large increase in financial assets returned to owners is attributable to another FY 1992 achievement: the Department's renewed emphasis on community relations. DFI was represented at the Illinois State Fair, Department on Aging's Senior and Hispanic Fairs, as well as local festivals, trade shows, and annual meetings — educating people about unclaimed property and promoting our mandate of consumer protection.

This report reflects the completion of my first year as Director of the Department of Financial Institutions. It is an honor to submit these achievements to you and thank you for your generous support.

Sincerely,

Gilbert G. Ruiz
Director





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Executive Management

Gilbert G. Ruiz
Director

Halina L. Bielowicz
Assistant Director

Administration

John Arthur
Legislative Liaison
Keith Burklow
Internal Auditor
Linda Finney
Personnel Officer
John Holowinski
Program Policy Advisor
Ron Handlin
Fiscal Officer
Ron Letterly
Information Systems Officer
Sherrie Saag
Public Information Officer
Rose Kelly
Chief Legal Counsel

Credit Union Division

Sarah Vega
Supervisor
Jack Hellner
Bruce Garrett
Assistant Supervisors

Consumer Credit Division

Andrew Madonia
Supervisor
Carl La Susa
Tom England
Assistant Supervisors

Unclaimed Property Division

Karen Anderson
Supervisor
William Margalus
Colleen Connor
Assistant Supervisors

Currency Exchange Division

Michael Goldman
Supervisor
John Brady
Assistant Supervisor

INTRODUCTION

The Illinois Department of Financial Institutions was created in 1957 as a regulatory agency of the State. Its enabling legislation, the Financial Institutions Code, provides the authority to regulate, license, examine, and investigate these financial institutions: currency exchanges, credit unions, consumer finance and title insurance companies, and foreign exchange offices.

The Department administers the Financial Planning and Management Services Act; providing regulation for businesses engaged in managing personal financial affairs. It administers the Consumer Credit Counseling Act; monitoring not-for-profit corporations offering specialized counseling to over-indebted consumers.

The Uniform Disposition of Unclaimed Property Act is also within the Department's jurisdiction. This Act authorizes the Department to collect abandoned and unclaimed financial assets remitted to the State of Illinois and, in turn, attempt to locate the owners and return the assets to them. The State acts as custodian of the unclaimed funds, ensuring their safekeeping until the owner or heir can be found.

The Department also administers the Sale of Exchange and Foreign Exchange Acts, Safe Deposit Box Act, Consumer Installment Loan Act, Development Credit Corporation Act, Currency Exchange Act, Credit Union Act, and the Title Insurance Act.

The Illinois laws for which the Department has responsibility govern a variety of diverse industries in Illinois. The activities undertaken by the Department in FY 1992 directly affected the 4369 individuals and businesses DFI licenses and indirectly affects every citizen who utilizes their services.

Management and control of the Department are vested in the Director who is appointed by the Governor and confirmed by the Illinois Senate. The Department has four operating Divisions, Credit Union, Currency Exchange, Consumer Credit, and Unclaimed Property, and one managerial division, Administration.

ADMINISTRATIVE SERVICES

The following positions and offices serve in an advisory capacity to the Director and also as professional support staff for the Department's four regulatory divisions: Credit Union, Currency Exchange, Consumer Credit, and Unclaimed Property.

The **Legislative Liaison** coordinates the Department's legislative program and acts as the Department's primary contact for legislative inquiries and constituent cases. The Liaison oversees the development and drafting of Department legislation dealing with the regulation of financial institutions under the Department's jurisdiction, prepares Department positions on legislation introduced by industry and interest groups, monitors the progress of all legislation affecting the Department, and generally promotes the Department's interests and positions on all financial institutions issues which come before the General Assembly.

The Department's budget is prepared and administered by the **Fiscal Operations Unit** under the direction of the Fiscal Officer. In addition to budget preparation and administration, the unit is responsible for all compliance reporting under CUSAS, development and implementation of spending plans, procurement operations, vehicle operations, obligations and vouchers, maintenance of property, depositing in excess of $40 million in receipts, telecommunications, and the purchase and delivery of supplies. The Fiscal Unit is also the coordinating unit between the Office of the Comptroller, the State Treasurer, the Office of the Auditor General, the General Assembly, and the Bureau of the Budget.

The **Public Information Officer** is the official spokesperson for the Department; responding to all media and public inquiries regarding programs, policies, and procedures.

The Office is responsible for writing speeches, press statements and news releases and produces the annual report, a quarterly newsletter, and a variety of brochures and booklets. To further inform the public, the Department's information booth is exhibited at national conferences, annual community events, trade shows, and in the State of Illinois Center.

The **Chief Legal Counsel** is the Department's principle legal advisor. With a staff of two Deputy Counsels, the Chief Legal Counsel provides legal advice to the Director and the Unclaimed Property, Consumer Credit, Credit Union, and Currency Exchange Divisions.

The Chief Counsel represents the Department in all administrative proceedings and is often called upon to represent the Department in negotiations and discussions with licensees and applicants. It supervises the drafting, review, and implementation of all Department rules and regulations, proposed legislation, and the Freedom of Information Act.

The Chief Counsel serves as liaison to the Illinois Attorney General's Office in litigation affecting the Department; preparing and monitoring the Assistant Attorney General and providing insight and strategy to the Attorney General's Office.

The **Chief Internal Auditor** is responsible for an independent program of audits of Department activities as required by the "Fiscal Control and Internal Auditing Act." The audits identify inadequacies in the Department's internal controls and procedures relating to the obligation, expenditure, receipt or use of public funds, and provide analysis of existing operations. The audit reports contain recommendations to improve operations.

The Chief Internal Auditor acts as liaison to the Auditor General's office and follows through on recommendations from both internal and external audit reports.

The **Management Information Systems Division** provides information and data processing support for the agency. This responsibility is accomplished by establishing policies and procedures for information processing needs and conforming to standards set by the Department of Central Management Services, Bureau of Communications and Computer Services.

Management Information Systems' staff also develop long and short range data processing plans to ensure that information systems are consistent with organizational needs and establish compatible hardware/software platforms that form the basis of all information systems.

The Division maintains the integrity of all data processing resources for the agency, including security and recovery procedures and procure all hardware and software related to data processing.

The **Program Policy Advisor** coordinates all statewide agency program activities. In this capacity, the Program Policy Advisor formulates and recommends to the Director policies and procedures to improve both departmental operations and service to the public. It develops agency goals, objectives, and plans the future directions of the Department. The Program Policy Advisor also works with other Departments in coordinating inter-departmental projects that enhance the effectiveness of agency services.

The **Personnel Officer** is responsible for insuring the proper implementation of the Illinois Personnel Code and Rules. The unit also administers a program of recruitment, classification, and labor relations and directs a comprehensive program of affirmative action, employee assistance, group insurance, payroll, and timekeeping.

LEGISLATIVE HIGHLIGHTS

Governor Jim Edgar signed into law several bills passed during the 88th legislative session that impact the Department of Financial Institutions.

Abandoned Property to Generate $50 Million for State Pensions

SB 1949 (Schaffer/Parke) amends the Uniform Disposition of Unclaimed Property Act to shorten, from 7 to 5 years, the dormancy period required before certain types of financial assets are presumed abandoned and remitted to the State. The measure, first proposed by Governor Jim Edgar in his annual budget message to the General Assembly, will create a one-time $50 million windfall of unclaimed property remittances for the State Pension Fund. The bill also makes a number of administrative changes in the unclaimed property law.

(Public Act 87-925)

DFI Amends the Unclaimed Property Law

HB 3126 (Sieben/Schaffer) amends the Uniform Disposition of Unclaimed Property Act. It clarifies a current presumption of abandonment applying to property issued by entities located in Illinois, a change wanted by the Department to clarify state law in response to a suit before the U.S. Supreme Court in which Illinois and 41 other states are trying to recover abandoned property that may have been incorrectly remitted to the State of New York. The bill also makes a technical correction of language contained in SB 1949 and amends the Uniform Commercial Code to make changes proposed by the National Conference of Commissioners on Uniform State Laws.

(Public Act 87-1135)

Department's FY'93 Budget

HB 2703 (Madigan) was the omnibus appropriation bill for state agencies, including DFI. It appropriates a total of $12,669,200 for the Department's ordinary and contingent expenses for Fiscal Year 1993. This includes a special appropriation of $1.2 million to pay expenses and costs relating to the reduction in the unclaimed property dormancy period enacted by Public Act 87-925.

(Public Act 87-864)

Continuing Appropriation Set for State Pension Fund

HB 3230 (McNamara) creates a continuing annual appropriation from the State Pension Fund to the five state-funded retirement systems. On July 1 of each year, all money in the Fund, except for a balance of $5 million, will be automatically appropriated to the retirement systems. (The State Pension Fund is funded entirely by unclaimed property remittances received by DFI.)

(Public Act 87-923)

Premium Reserve Requirements Change for Out-of-State Title Insurance Companies

HB 4024 (Keane) amends the Title Insurance Act to allow an out-of-state title company to qualify to do business in Illinois if it meets the statutory premium reserve requirement applicable to in-state companies (previously, the law required an out-of-state company to meet the reserve requirements of its domicile jurisdiction if they were higher than those required by Illinois).

(Public Act 87-1151)

FISCAL OPERATIONS

In FY 1992, the Department of Financial Institutions's $11,324,500 budget was funded from three sources: the General Revenue Fund, State Pension Fund, and Credit Union Fund.

All of the activities and services of the Department are financially self-supporting, in that the revenues collected through licensing, examination, and investigation exceed the cost of operations. In FY 1992, the Department's revenues reached $48,661,086 while expenditures were a conservative $8,621,724.

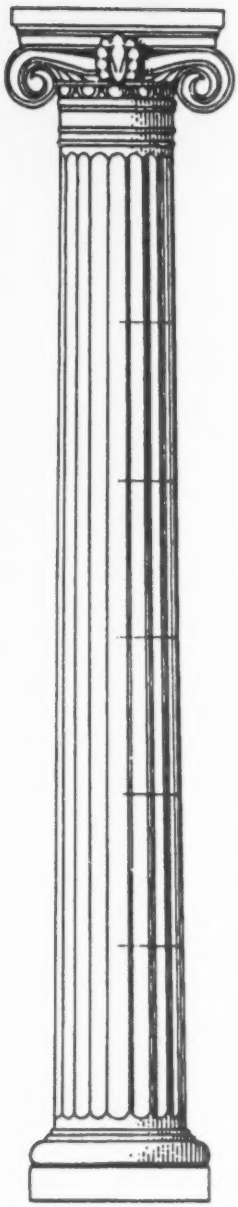
FY 1992 Revenues and Expenditures by Fund

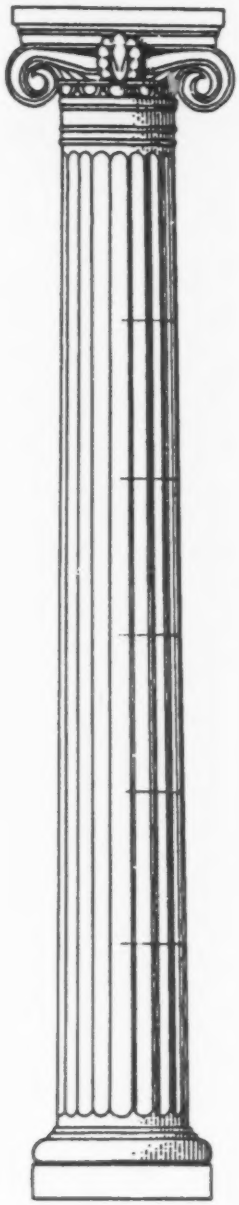
	Revenues	Expenditures
General Revenue Fund		
Administration	$ 0	$ 90,239
Consumer Credit	1,909,689	855,110
Currency Exchange	441,337	552,269
EDP	0	0
Total	$ [illegible]026	$ 1,497,618
State Pension Fund		
Administration	$ 0	$ 886,946
Unclaimed Property	35,994,903	3,954,091
EDP	0	1,333,284
Total	$ 35,994,903	$ 5,274,321
Credit Union Fund		
Credit Union	$ 2,215,157	$ 1,849,785
Total	$ 2,215,157	$ 1,849,785
Unclaimed Property Trust Fund	$ 8,100,000	$ 8,018,376
Department Total	$ 48,661,086	$ 16,640,100

FY 1992 Appropriations and Expenditures by Line Item

	Appropriations	Expenditures
General Revenue Fund		
Personal Service	$ 1,178,500	$ 1,169,126
Retirement	47,600	47,600
State Paid Retirement	25,800	22,872
Social Security	88,450	84,593
Group Insurance	0	0
Contractual	75,200	59,985
Travel	95,600	90,479
Commodities	6,700	5,771
Printing	6,100	2,343
Equipment	0	0
Telecommunications	13,800	13,799
Auto Operation	0	0
Refunds	1,050	1,050
TOTAL	$ 1,538,800	$ 1,497,618
State Pension Fund		
Personal Service	$ 2,148,700	$ 2,029,031
Retirement	85,300	85,300
State Paid Retirement	46,000	38,818
Social Security	164,000	145,382
Group Insurance	187,749	187,749
Contractual	4,460,689	2,435,858
Travel	124,100	90,772
Commodities	33,500	30,453
Printing	23,600	20,998

Unclaimed Property Division





Supervisor Karen Anderson

THE YEAR'S HIGHLIGHTS

August — The Stock Section received a check in the amount of $1,000,000. This represents proceeds from the sale of unclaimed stock the Department had been holding until the owners' names were published and they were given an opportunity to claim their shares. To date, this is the largest single sale of unclaimed stock.

October — On October 29, 1991, the Unclaimed Property Division arranged for the remittance of 21 bars of unclaimed silver from the registered vault at the First Chicago Bank.

November — During television broadcasting's November sweeps week, WBBM-TV Chicago and WFIE-TV Evansville, Indiana aired news segments about Illinois unclaimed property. To coincide with the WBBM-TV broadcast, employees staffed the Department's computerized display booth in the State of Illinois Center. Citizens had their names researched on the State's unclaimed property database. Approximately 1,300 inquiries resulted from the sweeps week news events.

January — Editing and data entry of November annual remittance reports, stock, safe deposit box contents, examination collections, etc. proceeded throughout the month. Slightly more than 93,000 unclaimed accounts were added to the State's database.

February — 21,698 names of unclaimed property owners were published throughout the State the week of February 23, 1992. In conjunction with the publication of 18,580 names in the Chicago Sun-Times, the Department's display booth again appeared in the State of Illinois Center on February 24 and 25, 1992. Computerized name searches were conducted for 910 citizens, resulting in the return of unclaimed property for 177 people.

April — The Unclaimed Property Division hosted the Midwestern Region Holder Seminar, sponsored by the National Association of Unclaimed Property Administrators (NAUPA), on April 3, 1992, at the Hyatt Regency O'Hare, Rosemont, Illinois.

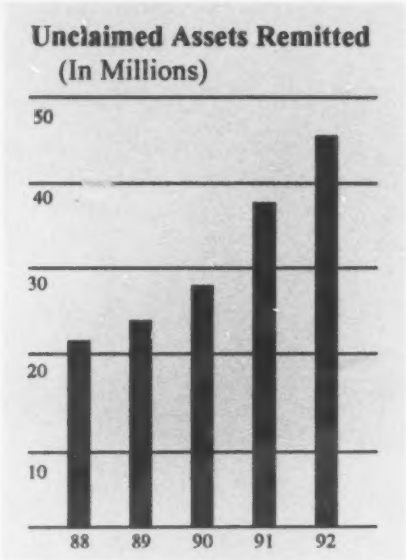
May — The following programs of the Illinois Discovery $ystem returned 401 accounts totaling $143,959.34 to unclaimed property owners.

Target Search	2 accounts	$ 10,438.74
SOIC Booth	3 accounts	$ 476.90
VIP	396 accounts	$ 133,043.70

June — The Claims Section set a record month with the payment of 972 claims; resulting in 7,136 claims being paid in FY 1992, totaling $8,213,229.

BACKGROUND

The Unclaimed Property Division administers one of the oldest and most important consumer protection laws in Illinois - the Uniform Disposition of Unclaimed Property Act. The Illinois Legislature, realizing it was unfair for the holders of abandoned assets to profit from the use of money that belonged to others, enacted the unclaimed property law and charged DFI with the collection and administration of unclaimed property. The legislature also recognized that if true owners or heirs could not be found, the benefits from unclaimed assets should accrue to all the people of Illinois.



The Act requires all entities - private, public, and governmental - to remit all financial assets to the state if unclaimed for five years or more. Unclaimed property can be any financial asset including abandoned savings and checking accounts, unpaid wages or commissions, stock, uncashed dividends, customer deposits or overpayments, credit balances, refunds, money orders, travelers checks, and paid-up life insurance policies, etc.

The Illinois unclaimed property statute is "custodial" in nature. This means that an owner or heir always can claim funds that were remitted to the State. This differs from an "escheat state" in which, after a mandated period, funds remitted to the state become the state's property and can no longer be claimed by an individual. All unclaimed assets remitted to Illinois are held in perpetual custody until the rightful owner or heirs claim them.

OPERATIONS

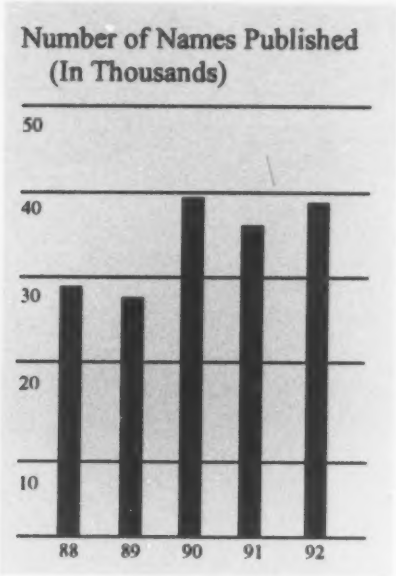
Unclaimed Property Collection

The Uniform Disposition of Unclaimed Property Act centralizes the collection of unclaimed financial assets. Since 1961, $322,506,145 has been received from business organizations and financial institutions. Breaking all previous records, the Division received $44,342,617 in unclaimed assets in FY 1992. This is a 65% increase over FY 1990 and an 18% increase over FY 1991.

Owner Identification

The Division attempts to locate the rightful owners or heirs of unclaimed assets held in their possession. The primary source for locating owners is the annual publication of owners' names in the county of the last known address. The Division publishes newly received names twice per year. In FY'92, the Division published the names of 40,179 owners in newspapers located in all 102 counties in Illinois.

Additionally, the Division provides lists of unclaimed property owners to legislators who attempt to contact owners in their districts. Each year, thousands of owners are reunited with their assets as a result of these efforts. The Division also performs owner discovery through special mailings, personal contact, etc. In cooperation with the Public Information Office, public



education programs, state fair booths, handouts, flyers, speaking engagements and media interviews help citizens identify Illinois unclaimed property.

In FY'92, the Division initiated an automated system for locating owners. The Department's display booth was set up at the State Fair and in the State of Illinois Center featuring computerized access to the owner database — providing instant identification of possible unclaimed property owners.

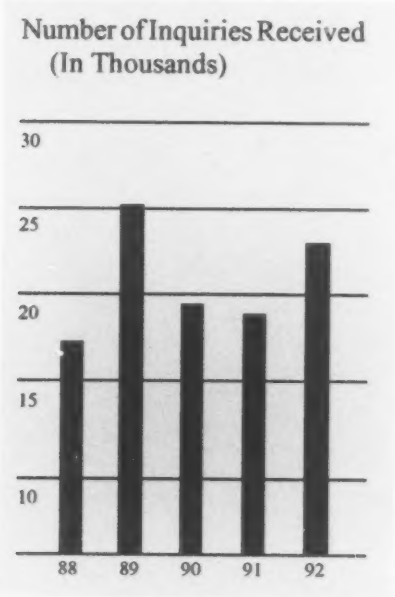
Remittance Reports

The Division mails approximately 55,000 notices, annual reports and other items annually to organizations holding unclaimed funds. The reports and notices are part of voluntary compliance with the Act.

The Division received a record breaking total of $41,068,730 from the voluntary compliance reporting by holder organizations. Approximately 190,000 additional owners were added to the unclaimed property owner file during FY'92.

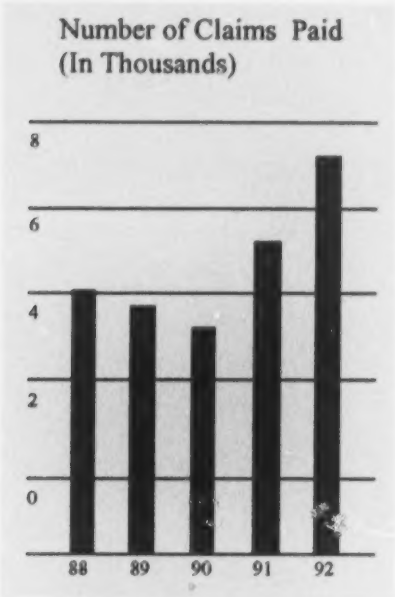
In FY'92, the Division piloted a diskette reporting program to be fully implemented in FY'93. This will enable holder organizations to report their unclaimed assets via computer access, eliminating the timely and more costly, manual data entry.

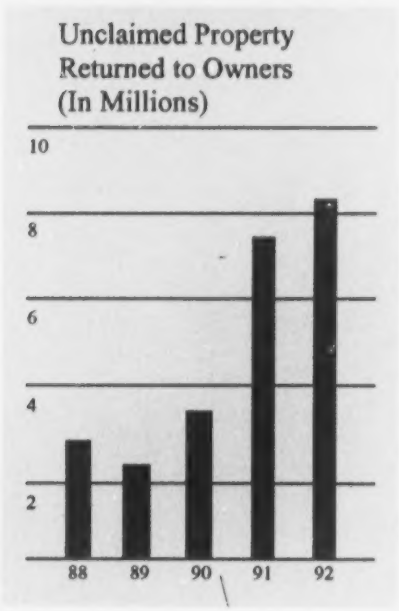
Claims



The Division received and processed 23,335 consumer inquiries in FY'92. As a result of these inquiries, the Division paid 7,136 claims returning unclaimed assets totaling $8,213,229. In the number of claims paid, this is an increase of 53% over FY'90 and 25% over FY'91. Since inception of the Act in 1961, the Division has returned $39,878,206 to 50,395 owners.

Fiscal Year	Number Claims Paid	Amount
1988	4055	$ 2,805,404
1989	3793	$ 2,637,726
1990	3365	$ 3,313,198
1991	5366	$ 7,504,339
1992	7136	$ 8,213,229



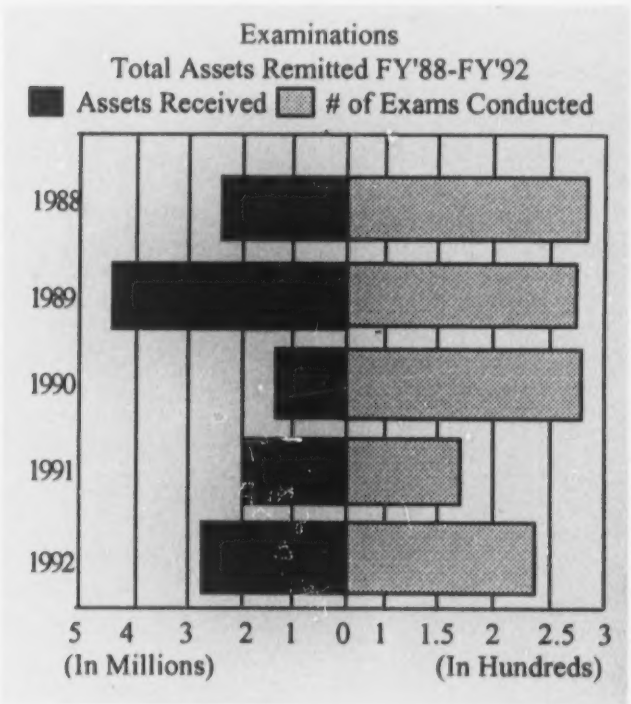


Examinations

To ensure compliance with the Uniform Disposition of Unclaimed Property Act, the Division conducts examinations of holder organizations. The examination educates holders on the proper method of recording and reporting of unclaimed assets, and provides a review of existing records to determine the accuracy of their annual publication and remittance reports.

Further, the Division's examiners assist holders in preparing required reports and their responsibilities under the Uniform Disposition of Unclaimed Property Act. "In-service" training sessions are routinely scheduled so that examiners can share experiences and refine their approach to conducting examinations.

The Division received $2,689,591 as a result of the FY'92 examination effort. The amount was collected from 230 examinations.



Safe Deposit Section

The Division collects contents from dormant safe deposit boxes. If the owner does not come forward after their name is published, the items are appraised and sold at public auction. The proceeds less commission charges are held for the rightful owner or heir.

Safe deposit boxes contain many items of interest and historical significance. These include miscellaneous papers, deeds, insurance policies, receipts, cancelled checks, photographs

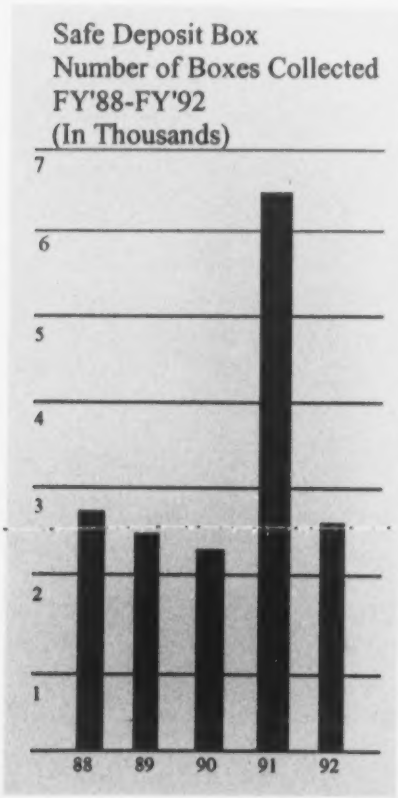
and items which have no value. Cash is deposited in a local bank and items of no value are destroyed.

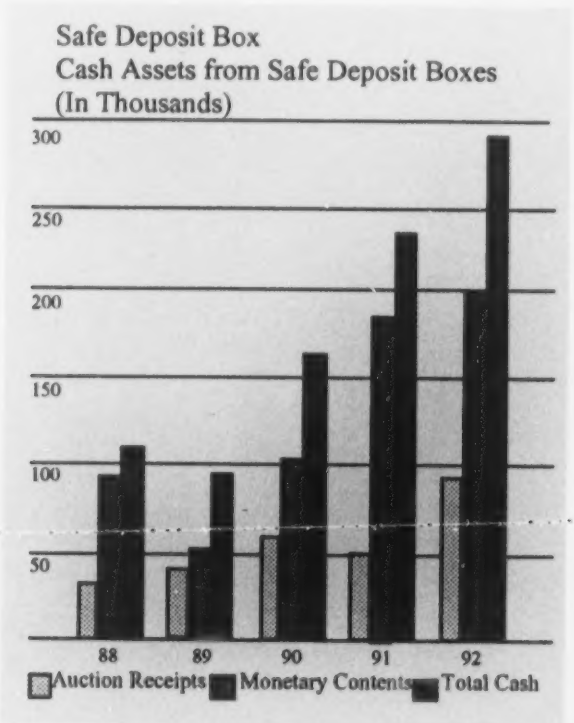
During FY'92, the Division received the contents of 2,616 safe deposit boxes. The Division reimbursed 167 holders for a total of $11,214.38. Proceeds from auctions totaled $93,506 and monetary assets of $198,462 were deposited with the State Treasurer.

Members of the safe deposit section routinely make presentations to the local chapters of the Illinois Safe Deposit Association and the National Safe Deposit Association throughout the State. Members of these Associations are able to receive current information on the Division's activities as well as receive instructions on correct reporting procedures.

Safe Deposit Activity since FY'88

Year	Boxes Collected	Auction Receipts	Monetary Contents	Total
1988	2735	30,847	89,595	120,442
1989	2590	36,970	52,410	89,380
1990	2364	59,015	108,605	167,620
1991	6771	53,160	185,821	238,981
1992	2616	93,506	198,462	291,968





Securities Section

The Unclaimed Property Division's stock section receives securities and related income from annual holder remittances, examinations, safe deposit box contents, the Unclaimed Property Clearinghouse and the National Abandoned Property Processing Company.

If dividend checks go uncashed or are returned to the company or its transfer agent after a period of five years, they are remitted to the Division. Securities and related income are processed similar to safe deposit contents. After publication, if an owner comes forward and there is an approved claim, the shares are reissued to the claimants. If no claimant comes forward, the shares are eventually sold. The net proceeds are kept for future claims by the rightful owner or heir.

In FY'92 the Unclaimed Property Division received $2,777,740 in remittances from the Unclaimed Property Clearinghouse. The Division also received $147,138 from the National Abandoned Property Processing Company (NAPPCO). Remittances of securities from all sources accounted for $7,470,661 of the Division's total FY'92 annual income.

REVENUES AND EXPENDITURES

The Division's revenue originates from two sources: collection of unclaimed property and fees charged for holder examinations. Program revenues fund operational costs. The remaining revenues, which far exceed the Division's operating costs, are appropriated to the five state-funded retirement systems as required by law.

REVENUE:		
	Unclaimed Assets	$ 44,342,617
	Examination Fees	67,915
		$ 44,410,532
EXPENDITURES:		
	Operations	$ 3,054,091
	Claims	$ 8,213,229
		11,267,320
NET REVENUE:		$ 33,143,212

UNCLAIMED PROPERTY REVENUE

The Department again increased the amount of money received as well as money returned in 1992. The increased revenue and claims paid can be attributed to several factors: increased citizen awareness, improved voluntary compliance by holder organizations and a reciprocity remittance with other states.

	1992	1991	1990	1989	1988
Holder Remittances	$ 30,698,537	$ 28,919,793	$ 21,898,444	$ 19,322,384	$ 18,274,880
Unclaimed Money Orders	584,296	577,364	561,436	507,054	525,035
Examination Remittances	2,689,591	2,006,726	1,417,732	4,359,325	2,464,699
Examination Fees	67,915	74,139	66,720	83,455	85,942
Clearinghouse	2,777,740	2,497,353	1,707,020	1,271,560	0
Nappco	147,138	153,496	0	0	0
Dividends - Accruing to Stock Held by Department	313,500	249,974	386,778	82,634	85,475
Sale of Safe Deposit Box Contents	93,506	53,160	59,015	36,970	30,847
Direct Deposit - Safe Deposit Section, Money Without Numismatic Value	198,462	185,821	108,605	52,410	89,595
Sale of Stock	4,692,921	1,000,000	308,847	90,155	106,081
Reciprocity Remittance	2,146,600	1,900,532	431,523	322,828	445,001
Miscellaneous	326	3,303	175	1,238	360
TOTAL REVENUE	$ 44,410,532	$ 37,621,661	$ 26,946,295	$ 26,130,013	$ 22,107,915
TOTAL CLAIMS	8,213,229	7,504,339	3,313,198	2,637,726	2,805,404
NET REVENUE	$ 36,197,303	$ 30,117,322	$ 23,633,097	$ 23,492,287	$ 19,302,511

INTERSTATE COOPERATION

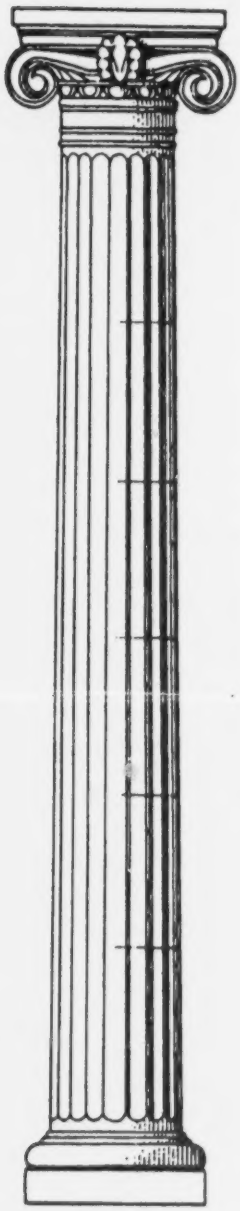
The State of Illinois successfully promotes mutual exchange of unclaimed funds with other states. Currently, the Division has reciprocity agreements with 23 states and the District of Columbia. During FY'92 the Division exchanged $3,521,950.50 with other states. In FY'92 Illinois added one new state to its reciprocity program; Mississippi.

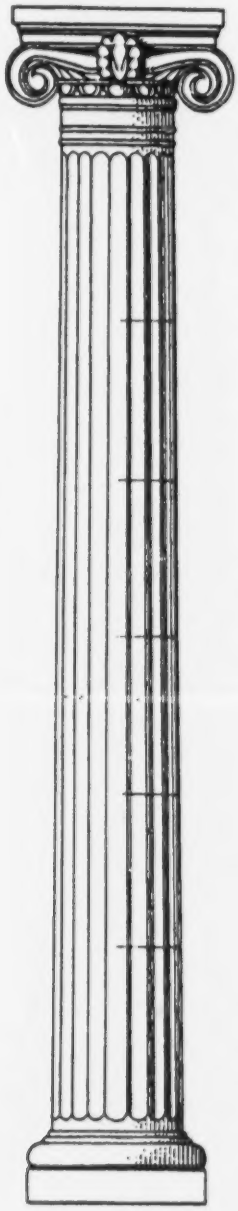
The reciprocal agreements make filing requirements easier for large companies, provides residents broader exposure to unclaimed funds, and promotes harmony and cooperation between the States.

FY'92 Reciprocity

State	Received FY'92	Paid FY'92	Total Received	Total Paid
Arizona	$0.00	$33,615.37	$24,437.31	$178,146.72
California	$1,914.70	$401,562.33	$3,829.40	$803,124.66
District of Columbia	$0.00	$0.00	$21,734.23	$125,828.52
Florida	$133.47	$209,508.31	$76,091.02	$1,155,074.05
Idaho	$12,881.05	$0.00	$45,685.01	$34,945.26
Indiana	$0.00	$0.00	$0.00	$33,324.71
Iowa	$13,542.28	$8,776.37	$27,084.56	$17,552.74
Kentucky	$1,392.07	$15,683.15	$15,226.33	$77,445.67
Massachusetts	$106,339.67	$102,773.92	$718,387.92	$646,124.21
Minnesota	$0.00	$97,086.18	$174,636.80	$420,717.73
Missouri	$0.00	$29,682.78	$127,561.10	$246,029.05
Mississippi	$8,797.20	$6,064.20	$17,594.40	$12,128.40
Nevada	$9,326.51	$0.00	$70,294.78	$17,933.11
Nebraska	$18,074.38	$0.00	$51,514.87	$49,916.92
New Mexico	$0.00	$29,280.23	$14,430.81	$104,115.25
New York	$354,465.75	$60,040.83	$708,931.50	$120,081.66
North Carolina	$69,499.86	$30,731.91	$193,558.42	$155,407.59
North Dakota	$1,118.00	$1,689.28	$2,690.36	$5,649.72
Ohio	$641,407.53	$214,851.96	$1,282,815.06	$429,703.92
Rhode Island	$2,492.78	$4,746.20	$25,384.95	$34,759.49
South Dakota	$0.00	$3,052.35	$1,355.45	$18,548.01
Texas	$311,526.48	$71,100.79	$694,260.81	$142,201.58
Utah	$5,539.33	$0.00	$57,012.64	$32,743.94
Virginia	$339,899.41	$0.00	$800,264.87	$117,715.72
Washington	$18,800.94	$0.00	$70,727.56	$52,617.03
Wisconsin	$238,246.41	$46,306.52	$882,631.54	$413,348.32
Totals	$2,155,397.82	$1,366,552.68	$6,108,141.70	$5,445,183.98

Currency Exchange Division





Supervisor Michael Goldman

BACKGROUND

The Currency Exchange Division licenses and regulates all Illinois community and ambulatory currency exchanges. The Act protects the public and maintains the integrity of the currency exchange industry. The attendant rules and regulations delineate records, rates, and rate-making procedures.

Currency exchanges provide important services to our citizens. The Division ensures these services are delivered fairly and efficiently and that the public is provided with all the safeties and protections intended by state law.

Community currency exchanges are housed in permanent locations and offer a variety of financial and financially related services to consumers. In addition to cashing checks and selling money orders, the Director may allow additional services in licensed exchanges if they are consistent with the provisions of the Act and are in the best interest of the public.

In addition to serving as distribution centers for Illinois public aid checks and federal government food stamps, approved services include the following: processing motor vehicle and title registration forms, accepting utility bill payments, selling public transportation tokens, and offering credit card cash advance programs, out-of-state money transfers, mailbox service, bailbond cards and fax copying.

Currency Exchange Licensees

Date	Number
FY92	702
FY91	698
FY90	696
FY89	686
FY88	670

Regulatory authority also extends to ambulatory currency exchanges. These are mobile check cashers, traveling in armored car from site to site, cashing payroll checks for employees on the employer's premises. At June 30, 1992 there were 442 licensed ambulatory locations in Illinois.

The Currency Exchange Division also advises the Director on liquidations, revocations, receiverships, legislation, and all currency exchange related litigation.

OPERATIONS

Examinations

State law mandates that each community currency exchange be examined annually and gives the Director discretionary authority to inspect ambulatory currency exchanges.

Trained field examiners conduct examinations on a surprise basis at the location of operations. Those found to be in violation of the Currency Exchange Act and/or the rules and regulations are subject to re-examination to ensure that compliance is achieved. During FY'92, 611 examinations were conducted on Illinois community currency exchanges.

Applications

All applications for new community currency exchange or ambulatory licenses are thoroughly reviewed and investigated. Applications for Change of Location, Purchase, Change of Name, Stock Transfer, and Approval of Officer are also investigated. Each must be approved by the Director before it can be implemented by the applicant. Division management continually takes steps to improve and expand the review and investigation process to ensure each application is handled as fairly as possible.

LICENSES

	FY92	FY91	FY90	FY89	FY88
Approved	9	14	11	22	33
Denied	10	9	24	18	25

Unclaimed Money Orders

The Currency Exchange Division processes the recording of unclaimed money orders in cooperation with the Unclaimed Property Division. These money orders are more than five years old and are discerned as a result of the Division's examinations. This procedure saves the Unclaimed Property Division from examining currency exchanges and ensures proper collection and recording of assets which fall under the Uniform Disposition of Unclaimed Property Act.

Fiscal Year	Unclaimed Property
1992	$ 595,007
1991	577,708
1990	561,627
1989	507,054
1988	518,073
Total:	$ 2,760,469

Consumer Complaints

One of the Division's primary functions is to investigate consumer complaints. The Division's Chief Investigator works with the consumer and the currency exchange involved to help bring about an equitable and speedy resolution. During FY'92, the Division resolved 378 consumer complaints.

Types, Number, and Percentage of Consumer Complaints

	FY92	FY91	FY90	FY89	FY88
Money Order	161 or 43%	158 or 39%	66 or 34%	35 or 44%	41 or 32%
Licensee	49 or 13%	40 or 10%	21 or 11%	9 or 11%	17 or 14%
Employee Attitude	74 or 19%	53 or 13%	43 or 22%	10 or 13%	13 or 10%
Utility Bill	25 or 7%	21 or 5%	10 or 5%	4 or 5%	17 or 14%
Check Cashing	69 or 18%	134 or 33%	55 or 28%	21 or 27%	38 or 30%

NEW CURRENCY EXCHANGE OPENINGS

	FY92	FY91	FY90	FY89	FY88
Chicago	2	2	3	2	4
Suburban Chicago	4	2	5	14	25
Downstate Illinois	4	1	2	7	7
Northern Illinois	0	0	1	0	0
Northwest Illinois	1	0	3	0	0
Western Illinois	0	0	3	0	0
Total	11	5	17	23	36

NEW COMMUNITY CURRENCY EXCHANGE LICENSES ISSUED

Chicago

New Ashland Lake C.E., Inc.
231 N. Ashland
Chicago, IL 60607

63rd & Damen C.E., Corp.
1942 W. 63rd Street
Chicago, IL 60636

Suburban Chicago

Countryside C.E., Inc.
6558 Joliet Rd.
Countryside, IL 60525

Gary Ave. C.E., Inc.
365 N. Gary Ave.
Carol Stream, IL 60188

Glenwood C.E., Inc.
317 E. Glenwood Lansing Rd.
Glenwood, IL 60425

75th & Janes C.E., Inc.
7530 Janes Ave.
Woodridge, IL 60157

Downstate Illinois

Dixie Plaza C.E., Inc.
3347 N. Vermilion
Danville, IL 61832

Momence C.E., Inc.
1012 Main Street
Momence, IL 60954

Mt. Vernon C.E., Inc.
1012 Main Street
Mt. Vernon, IL 62864

Quick Cash, Inc.
1004 W. University
Urbana, IL 61801

Northwest Illinois

Belvidere C.E., Inc.
348 Chrysler Drive Plaza
Belvidere, IL 61008

AMBULATORY CURRENCY EXCHANGE LICENSES

Number of Licenses Issued				
FY92	FY91	FY90	FY89	FY88
20	22	26	17	22

There were 442 active ambulatory licenses at the end of FY'92 compared with 458 active licenses at the end of FY'91. New licensees include:

Name	City
Associated Mills	Bedford Park
C.A.R.C. Westtown	Chicago
Chicago Cardboard	Schiller Park
C-Line Products	Des Plaines
ERSC, Inc.	Skokie
Fillip Metal Cabinet Co.	Chicago
Flexi-Mat Corp.	Chicago
Guernsey Dell, Inc.	Chicago
Harper Leather	Chicago
Illinois Masonic Hospital	Chicago
Lakewood Engineering Co.(Carroll St.)	Chicago
Lakewood Engineering Co.(Carpenter St.)	Chicago
Marriott Suites O'Hare	Rosemont
Precision Scientific	Bellwood
Reliable Packaging Co.	Chicago
Royal Crown Bottling	Chicago
Salvation Army	Des Plaines
Scentex, Inc.	Chicago
Southwest Office Furniture	Des Plaines
Venture Warehouse	Bedford Park

REVENUE

Revenue generated by the Currency Exchange Division is collected through examination, license, inspection, application fees and fines. In FY'92, the Division's revenue was $441,338.

Total Revenue By Category	FY 92	FY 91	FY 90	FY 89	FY 88
FEES					
Community Currency Exchanges					
Examination	$208,250	$186,750	$254,850	$203,950	$177,750
License	146,200	144,825	145,800	130,350	107,150
Fines	25,010	90,628	25,525	16,005	17,230
Investigation	45,850	41,500	31,330	18,270	18,275
Miscellaneous	329	610	169	1,608	1,594
Change Location	4,200	4,950	3,850	4,375	0
Ambulatory Currency Exchanges					
License Fees	$ 11,499	$ 12,023	$ 12,433	$ 12,996	$ 13,331
Inspection Fees	0	75	0	125	3,525
Total:	$441,338	$481,361	$473,957	$ 387,679	$338,855

INDUSTRY CONSOLIDATED REVENUE FIGURES

The Currency Exchange Act provides for the authority to set maximum check cashing and money order rates. Currently, the maximum check cashing charge is 1.2% of the face value plus 90 cents and maximum charge for the sale of a money order is 1% of the face value plus 75 cents.

	12 Months Ending December 31, 1991		**12 Months Ending December 31, 1990**	
	Revenue	% of Income	Revenue	% of Income
Check Cashing Fees	$ 80,856,423	68%	$ 78,002,209	68%
Money Order Fees	10,037,191	8%	10,195,509	9%
License Fees	13,118,251	11%	12,610,296	11%
Utilities Fees	2,819,001	2%	2,583,404	2%
Other Income	$ 12,946,150	11%	$ 11,037,726	10%
Total:	$119,777,016	100%	$ 114,429,144	100%

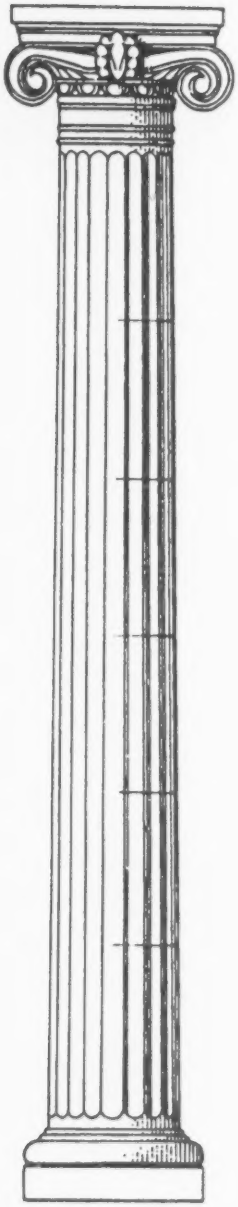
	12 Months Ending December 31, 1989		**12 Months Ending September 30, 1988**	
	Revenue	% of Income	Revenue	% of Income
Check Cashing	$ 73,139,748	69%	$ 67,130,899	67%
Money Order Fees	9,638,190	9%	10,399,093	11%
License Fees	11,436,760	11%	10,757,484	11%
Utilities Fees	2,425,002	2%	2,323,881	2%
Other Income	$ 9,779,389	9%	$ 8,796,249	9%
Total:	$106,419,089	100%	$ 99,407,606	100%

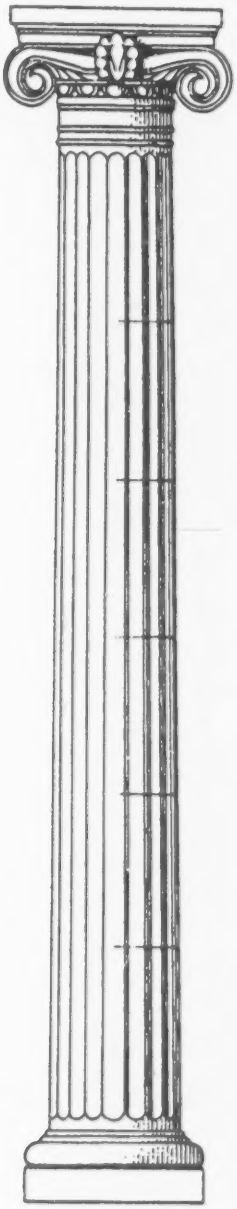
The 706 filers of annual reports as of December 31, 1991 are bracketed by total revenue in the following manner:

Total Revenue	12 Months Ending December 31, 1991
$ 800,000 and over	1
$ 700,000 - 799,999	1
$ 600,000 - 699,999	1
$ 500,000 - 599,999	8
$ 400,000 - 499,999	18
$ 300,000 - 399,999	40
$ 200,000 - 299,999	116
$ 100,000 - 199,999	353
$ 50,000 - 99,999	140
Less than $ 50,000	28
Total	706

The mean total revenue was $169,656. Licensees reported cashing 23,624,102 checks and selling 17,143,497 money orders during the 12 months ending December 31, 1991.

Credit Union Division





Supervisor Sarah Vega

BACKGROUND

The Credit Union Division holds statutory authority to administer the Illinois Credit Union Act (the Act). The Division's primary responsibilities are the chartering, examination, supervision and regulation of state chartered credit unions. The Act and its rules and regulations assure Illinois a safe and sound credit union industry.

Regulation and Rules

The Department's primary duty is to administer the Illinois Credit Union Act and its rules and regulations.

The Illinois Credit Union Act outlines areas of responsibility for the Department and includes the laws under which an Illinois chartered credit union must operate. The Act sets forth requirements regarding examination responsibilities, fees, fines, cease and desist powers, suspension authority, mergers, liquidations, chartering and definitions. The Act also outlines the general powers given to state chartered credit unions in the areas of: investment of funds, conflict of interest, compensation of directors, types of loans, interest rates, common bond membership expansions, types of deposits and general operations.

The rules and regulations are intended to clarify areas contained in the Illinois Credit Union Act. The rules and regulations provide the procedures to be followed by the Department and the individual credit unions under its supervision in carrying out the powers provided by the Act.

As of June 30, 1992, the Credit Union Division was responsible for 612 Illinois state chartered credit unions (down from 636 at June 30, 1991). The asset size ranges from $12,000 to $1,940,000,000. On a consolidated basis, total assets for all Illinois state chartered credit unions were $7,468,174,771 as of June 30, 1992, an increase of 8.0% from June 30, 1991.

OPERATIONS

Supervision

Proper supervision requires that each credit union is examined on an annual basis and that the report of examination is thoroughly reviewed and followed by a "review comment letter" emphasizing any items of supervisory concern. In addition to annual statutory examinations, the Department may conduct special examinations when necessary to determine compliance with the Act or investigate and resolve consumer complaints.

Ancillary duties include the collection of annual financial reports, oaths of credit union directors, internal supervisory committee reports and credit union responses to review comment letters.

Examinations

The past five years have been a period of tremendous change for the credit union industry, not only in Illinois but across the entire country. In response to this change, the examination and supervision of credit unions (federal or state chartered) has become much more aggressive. The Credit Union Division is committed to providing a strong and credible regulatory environment for all credit unions in Illinois.

In continuing the goal of conducting annual statutory examinations of all state chartered credit unions, the following chart depicts the number of examinations performed:

	FY1992	FY1991	FY1990	FY1989	FY1988
DFI Annual Exams	592	524	527	623	457
DFI Special Exams	2	90	66	30	136
CPA Annual Exams	6	92	165	83	317

Through the implementation of the National Association of State Credit Union Supervisors (NASCUS)/National Credit Union Administration (NCUA) core examination format as the basis for the State of Illinois examination, the Division completely restructured its examination procedures. The core examination process, utilizing the CAMEL rating system, evaluates five key areas of credit union operations: Capital Adequacy, Asset Quality, Management, Earnings, and Liquidity. Each area is assigned a rating of 1 to 5, with 1 being the most competent and 5 being the most critically deficient.

Upon completion of the individual component ratings, the examiner assigns a composite rating to the institution as a whole. The following chart shows the distribution of CAMEL composite ratings applicable to Illinois state chartered credit unions for FY92.

CAMEL Composite Ratings

Composite Rating	#of Credit Unions	%	Assets	%
1	71	11.6	$ 631,282,430	8.4
2	339	55.5	5,571,211,234	74.6
3	163	26.7	1,050,425,761	14.1
4	35	5.7	207,259,818	2.8
5	3	5	528	.1
TOTALS	**611**	**100.0**	**$ 7,468,174,771**	**100.0**

NOTE: As stated under the next section, the Division will continue to focus its efforts on reducing the number and asset totals of CAMEL code 4 and 5 credit unions. The overall emphasis will continue to be requiring the implementation of operational improvements.

Chartering

A state chartered credit union is a nonprofit, member-owned cooperative financial institution incorporated to encourage thrift among its members, create a source of credit at a reasonable rate and provide an opportunity for members to improve their economic and social conditions.

DFI encourages the formation of new state chartered credit unions and is an active participant in the chartering process. The initial step in organizing a credit union is completion of an application to the Credit Union Division. A first meeting between DFI staff and credit union organizers covers compliance with common bond requirements, the economic viability of the proposed credit union, and development of a projected budget for first year operations.

Following a favorable investigation of these areas, the proposed new credit union will draft a statement of incorporation, adopt standard bylaws, and provide the Department with a commitment letter providing share insurance from either the National Credit Union Administration or American Share Insurance Inc.

The Director of the Department holds approval authority and, if granted, a charter is presented to the new credit union.

Problem Case Officer Program

This program provides CAMEL code 4 and 5 rated institutions guidance and assistance in developing operational plans of action to improve overall efficiency and financial condition. The Division also takes a very pro-active stance in monitoring certain CAMEL 3 credit unions to correct deficiencies before the survival of the credit union is jeopardized.

The program has been very successful. The total number of 4 or 5 CAMEL coded credit unions has declined 32.2% from 56 on December 31, 1989 to the current level of 38. The dollar amount of assets involved has declined 14.1% from $250,556,552 on December 31, 1989 to the current level of $215,255,346.

STATE CHARTERED CREDIT UNIONS IN ILLINOIS

FOUR YEAR STATISTICS AND SUMMARY

YEAR ENDING	CALENDAR YEAR 1989	6 MONTHS ENDING JUNE 1990	FY91 JUNE 1991	FY92 JUNE 1992
NUMBER OF:				
CREDIT UNIONS	696	677	636	611
MEMBERS	1,692,100	1,703,590	1,743,087	1,779,157
NEW CHARTERS	1	1	0	0
MERGERS	16	18	32	17
LIQUIDATIONS	10	5	8	9
CONVERSIONS	1	1	1	0
TOTAL ASSETS	$ 6,187,964	$ 6,493,130	$ 6,913,451	$ 7,468,175
TOTAL LOANS	$ 3,153,477	$ 3,256,744	$ 3,409,653	$ 3,442,948
TOTAL SHARES	$ 5,362,973	$ 5,673,914	$ 6,178,158	$ 6,720,175
DIVIDENDS PAID	$ 354,191	$ 180,591	$ 371,825	$ 327,879
ALL RESERVES	$ 401,486	$ 430,279	$ 482,417	$ 548,117
RESERVES/ASSETS	6.5%	6.6%	7.0%	7.3%
RESERVES/LOANS	12.7%	13.2%	14.1%	15.9%
LOANS/SHARES	58.8%	57.4%	55.2%	51.2%
LOANS/ASSETS	51.0%	50.2%	49.3%	46.1%
OPER. EXP./TOTAL INCOME	29.5%	29.4%	30.4%	34.5%
DIV./TOTAL INCOME	57.9%	58.0%	57.9%	53.2%
YIELD/AVG. LOANS	12.0%	11.3%	11.5%	11.1%
DIV./AVG. SHARES	6.6%	6.5%	6.3%	5.1%
NET MARGINS	4.8%	4.6%	5.2%	6.0%

SOURCE: NCUA/NASCUS 5300 ANNUAL REPORTS (JUNE 30, 1992)

REVENUES AND EXPENDITURES

The Credit Union Division received $2.2 million in total revenue for FY92 from annual, surprise and supervisory examination fees. With FY92 expenditures totaling slightly over $1.8 million, the Division realized excess revenue for the first time in three years.

CREDIT UNION DIVISION OPERATIONS

Fiscal Year	1988	1989	1990	1991	1992
Number of Examiners	24	22	28	26	25
Number of Credit Unions	733	712	679	636	612
Number of Annual Exams Conducted by the Department	457	623	527	524	592
Number of Surprise Exams Conducted by the Department	136	30	66	90	2
REVENUE (000)					
Annual Examination Fees	$ 431.6	$ 964.0	$ 803.0	$1,064.3	$ 1,054.2
Surprise Examination Fees	$ 46.9	$ 5.4	$ 38.1	$ 141.6	$ 1.1
Supervision Fees	$ 534.1	$ 530.1	$ 523.0	$ 515.8	$ 516.1
Misc. Fees & Fines	$ 27.2	$ 19.0	$ 33.7	$ 34.9	$ 44.5
Total Revenue	$1,039.8	$1,518.5	$1,397.8	$1,756.6	$ 2,216.0
EXPENDITURES (000)					
Personal Services	$ 757.0	$ 920.8	$1,096.5	$1,249.1	$ 1,269.9
Retirement	$ 36.7	$ 39.5	$ 52.4	$ 62.6	$ 61.7
Group Insurance	$ 0.0	$ 38.6	$ 61.3	$ 99.9	$ 112.8
Social Security	$ 50.3	$ 65.4	$ 79.1	$ 90.4	$ 92.4
Contractual Services	$ 13.8	$ 24.5	$ 77.2	$ 88.9	$ 106.5
Travel	$ 102.7	$ 110.7	$ 135.0	$ 184.0	$ 162.6
Commodities	$ 4.7	$ 4.9	$ 7.5	$ 6.2	$ 6.0
Printing	$ 4.4	$ 4.3	$ 11.3	$ 2.9	$ 1.4
Equipment	$ 4.1	$ 0.0	$ 126.0	$ 1.4	$ 1.4
Refunds	$ 0.2	$ 0.0	$ 0.2	$ 0.3	$ 0.3
Telecommunications	$ 0.0	$ 0.0	$ 0.0	$ 25.3	$ 12.7
Total Expenditures	$ 973.5	$ 1,208.7	$1,646.5	$1,811.0	$ 1,827.7
Revenue over (under) Expenses	$ 66.3	$ 309.8	(248.7)	(54.4)	388.3

LARGEST 25 CREDIT UNIONS

(By Asset Size)

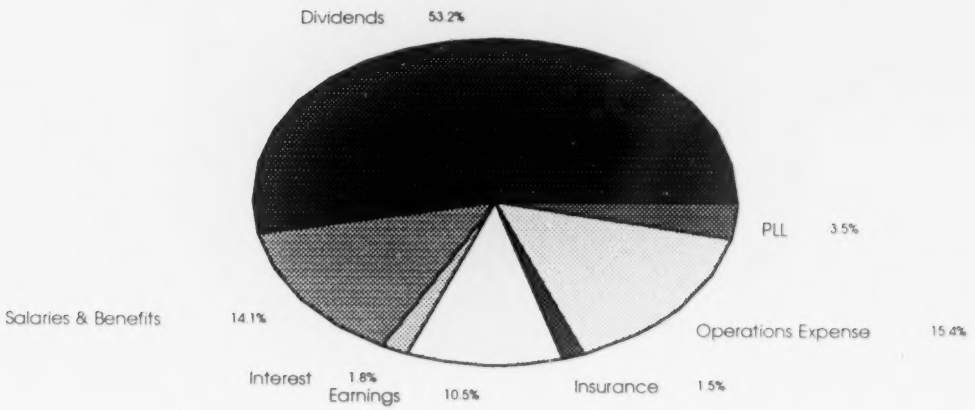
Credit Union	City	Assets	Members
United Air Lines Emp. Credit Union	Arlington Hts.	$ 1,937,809,906	97,627
Baxter Credit Union	Deerfield	$ 246,201,220	66,054
Great Lakes Credit Union	Great Lakes	$ 215,301,692	79,582
I.H. Mississippi Valley Credit Union	Rock Island	$ 177,886,839	54,890
Motorola Employees Credit Union	Schaumburg	$ 153,485,111	25,596
Scott Credit Union	Scott AFB	$ 134,851,683	28,857
Credit Union 1	Rantoul	$ 134,133,194	93,570
Edison Credit Union	Chicago	$ 131,629,016	22,190
Decatur Earthmover Credit Union	Decatur	$ 116,982,423	13,376
Consumers Cooperative Credit Union	Waukegan	$ 113,417,644	36,864
Olin Employees Credit Union	East Alton	$ 112,471,901	17,600
Deere & Company Credit Union	Moline	$ 97,213,144	15,240
Deere Harvester	Moline	$ 85,171,000	21,000
Staley Employees Credit Union	Decatur	$ 79,962,178	14,433
Kraft Employees Credit Union	Glenview	$ 75,373,078	13,482
DuPage Schools Credit Union	Wheaton	$ 73,464,104	24,919
Argonne Credit Union	Argonne	$ 73,031,796	11,789
HealthCare Associates Credit Union	Naperville	$ 63,680,588	40,194
Aurora Earthmover Credit Union	Aurora	$ 61,807,998	17,379
U. of I. Employees Credit Union	Champaign	$ 60,086,802	21,123
Kane County Teachers Credit Union	Elgin	$ 58,382,741	13,386
United Credit Union	Chicago	$ 58,077,699	23,848
Abbott Laboratories Credit Union	Gurnee	$ 54,998,565	12,716
Paysaver Credit Union	Lombard	$ 54,759,439	28,720
Hawthorne Credit Union	Naperville	$ 51,761,249	14,372

ILLINOIS CREDIT UNIONS CONSOLIDATED STATEMENT OF INCOME AND EXPENSE

(000's Omitted)

	6 MONTHS 6/30/90	FY91 6/30/91	FY92 6/30/92	Analysis of 6/30/92 Totals
INCOME				
Interest-Members' Loans	$ 181,073	$ 383,470	$ 379,368	61.6%
(Less Interest Rebate)	($187)	($660)	($ 783)	- 0.1%
Interest-Investments	$117,203	$ 227,229	$ 205,052	33.3%
Gain(Loss)-Sale of Investments	$ 219	$ 1,914	($ 3,233)	- 0.5%
Other Income	$ 13,224	$ 30,032	$ 35,032	5.7%
TOTAL INCOME	$311,532	$641,985	$615,436	100.0%
EXPENSES				
Salaries and Benefits	$ 38,109	$ 81,135	$ 86,857	14.1%
Insurance (Less Rebates)	$ 4,682	$ 9,097	$ 9,400	1.5%
Provision for Loan Losses	$ 7,832	$ 18,576	$ 21,347	3.5%
Office Operation Expense	$ 16,415	$ 37,460	$ 40,495	6.6%
Other Expenses	$ 24,650	$ 49,030	$ 53,952	8.8%
TOTAL EXPENSES	$ 91,688	$195,298	$212,051	34.5%
OPERATING INCOME	$219,844	$446,687	$403,385	65.5%
Interest on Borrowed Money	$ 13,258	$ 21,878	$ 11,025	1.8%
Dividends	$180,591	$ 371,825	$327,879	5.32%
NET EARNINGS	$ 25,995	$ 52,984	$ 64,481	10.5%
Distribution of Net Earnings				
Regular Reserve	$ 7,150	$ 22,484	$ 37,137	6.0%
Undivided Earnings Account	$ 18,845	$ 30,500	$ 27,344	4.5%
TOTAL DISTRIBUTED	$ 25,995	$ 52,984	$ 64,481	10.5%

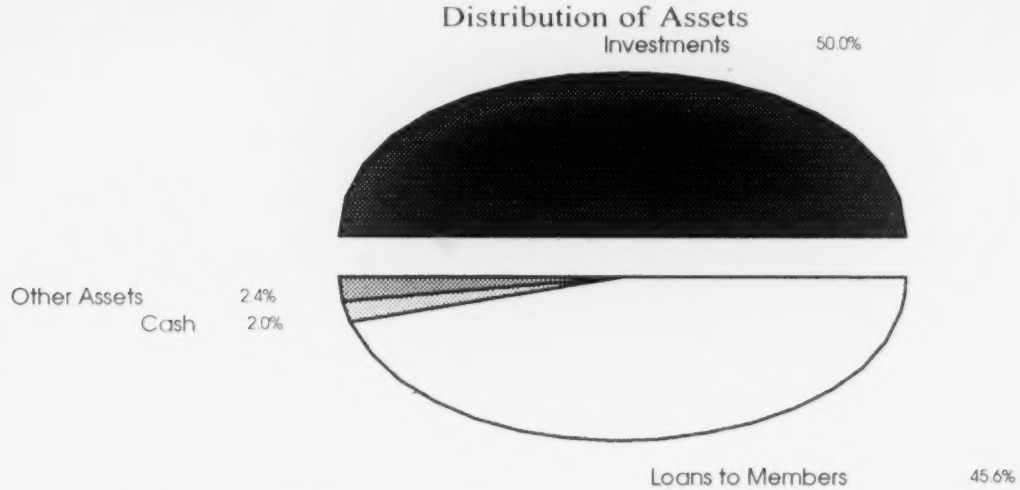
Distribution of Gross Income



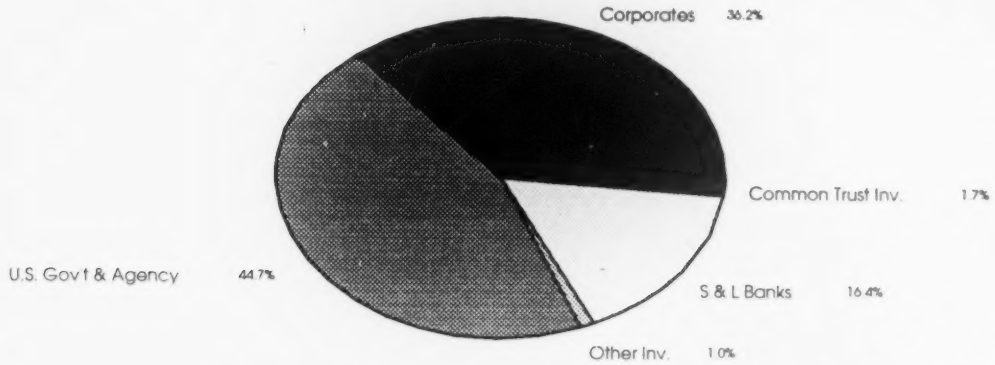
ILLINOIS CREDIT UNIONS CONSOLIDATED BALANCE SHEET

(000'S Omitted)

	6/30/90	6/30/91	6/30/92	6/30/92 Totals
ASSETS				
Cash on Hand and in Banks	$ 118,524	$ 147,329	$ 150,048	2.0%
Common Trust Investments	$ 21,702	$ 32,561	$ 63,333	0.8%
S & L and Bank Investments	$ 825,368	$ 704,939	$ 611,884	8.2%
U.S. Govt & Agency Obligations	$ 947,497	$ 1,154,450	$ 1,668,281	22.4%
Deposits in Corporate Credit Unions	$ 1,085,129	$ 1,168,085	$ 1,315,629	17.6%
Other Investments	$ 100,335	$ 152,359	$ 39,139	0.5%
(Allowance for Investment Losses)	($ 2,107)	($ 1,596)	($ 1,03)	-0.5%
Loans to Other Credit Unions	$ 857	$ 100	$ 0	0.0%
Loans to members	$ 3,256,744	$ 3,409,653	$ 3,442,948	46.1%
(Allowance for Loan Losses)	($ 30,708)	($ 30,440)	($ 36,111)	-0.5%
Furn – Fix (Less Depreciation)	$ 24,491	$ 23,933	$ 29,372	0.4%
Land & Building (Less Depreciation)	$ 52,344	$ 55,013	$ 55,591	0.7%
Other Assets	$ 61,590	$ 64,147	$ 94,783	1.3%
TOTAL ASSETS	$ 6,493,130	$ 6,913,451	$ 7,468,175	100.0%
LIABILITIES				
Notes Payable	$ 382,199	$ 253,389	$ 206,461	2.8%
Dividends Payable	$ 11,783	$ 10,941	$ 8,288	0.1%
All Other Liabilities	$ 25,663	$ 18,986	$ 21,245	0.3%
TOTAL LIABILITIES	$ 419,645	$ 283,316	$ 235,994	3.2%
NET WORTH				
Common Shares	$ 3,587,456	$ 3,894,935	$ 4,426,708	59.3%
Other Classes of Shares	$ 864,253	$ 918,363	$ 861,645	11.5%
IRA/Retirement Shares	$ 838,651	$ 932,388	$ 981,481	13.1%
Share Draft Accounts	$ 364,598	$ 418,162	$ 433,769	5.8%
Non-Member Deposits	$ 18,956	$ 14,310	$ 16,572	0.2%
Regular Reserve	$ 145,430	$ 163,137	$ 178,483	2.4%
Undivided Earnings	$ 117,571	$ 144,814	$ 172,464	2.3%
Other Reserves	$ 136,570	$ 144,026	$ 161,059	2.2%
TOTAL NET WORTH	$ 6,073,485	$ 6,630,135	$ 7,232,181	96.8%
TOTAL LIABILITIES AND NET WORTH	$ 6,493,130	$ 6,913,451	$ 7,468,175	100.0%

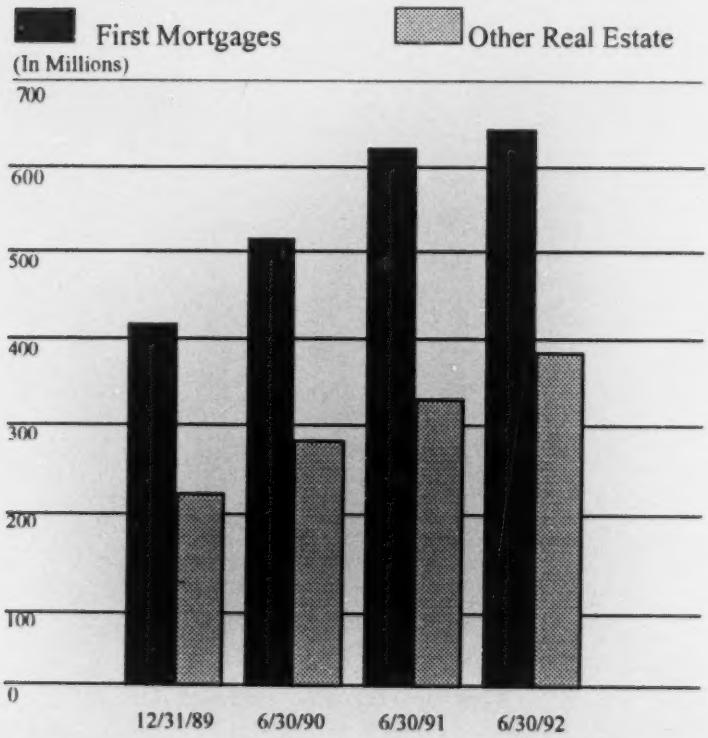


Distribution of Investments



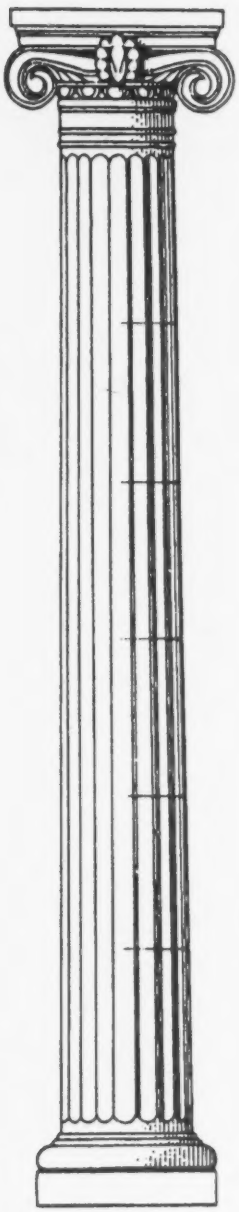
Investments represent 50% of Total Assets

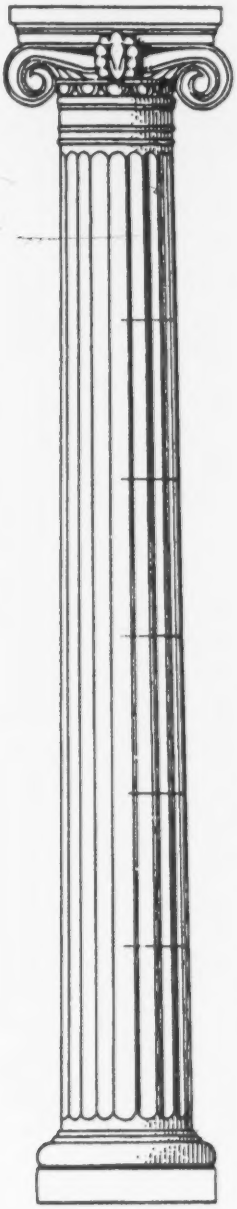
GROWTH IN MORTGAGE LENDING
12/31/89 through 6/30/92



Illustrated above is the tremendous growth in real estate lending. This type of lending is not a major portion of assets.

Consumer Credit Division





Supervisor Andrew Madonia

BACKGROUND

The Consumer Credit Division administers twelve Illinois statutes that regulate a wide range of financial services in Illinois. The Division licenses title insurance companies and registers title insurance agents. The Division regulates consumer credit corporations and companies providing foreign exchange. Consumer Credit is also responsible for the supervision of both for profit and non profit financial planners and credit counselors.

The Division, as of June 30, 1992, administered the following licenses: 429 Consumer Installment Loan, 7 Financial Planning and Management Services, 17 Consumer Credit Counseling, 18 Foreign Exchange, 17 Safe Deposit Box, 18 Sale of Exchange, 227 Sales Finance Agency, 22 Title Insurance and 2,300 Title Insurance Agents.

The laws administered by this Division are:

Consumer Credit Counseling Corporation Act, Ill. Rev. Stat.
ch. 32, par.360.1 et seq.
Consumer Installment Loan Act, Ill. Rev. Stat. ch. 17, par. 5401
Development Credit Corporation Act, Ill. Rev. Stat. ch. 32, par. 1001
Financial Planning and Management Services Act, Ill. Rev. Stat. ch. 17, par. 5301
Foreign Exchange Act, Ill. Rev. Stat. ch. 17, par. 2601
Motor Vehicle Retail Installment Sales Act, Ill. Rev. Stat. ch. 121-1/2, par. 561
Pawner's Societies Act, Ill. Rev. Stat. ch. 17, par. 4551
Retail Installment Sales Act, Ill. Rev. Stat. ch. 121-1/2, par. 501
Safety Deposit Box Act, Ill. Rev. Stat. ch. 17, par. 1451
Sale of Exchange Act, Ill. Rev. Stat. ch. 17, par. 4701
Sales Finance Agency Act, Ill. Rev. Stat. ch. 17, par. 5201
Title Insurance Act, Ill. Rev. Stat. ch. 73, par. 1401

OPERATIONS

Examinations

The Division conducted 828 examinations for licensed entities to determine compliance with regulatory requirements set by statute and administrative rule. These examinations uncovered 2,375 exceptions to operating procedures. A majority of the exceptions were corrected by the licensee during the examination and the balance were resolved by supervisory action.

Complaints

The Division received 96 complaints from public and private organizations. The complaints were investigated and 51% resolved in favor of the consumer. These complaints, along with the examination exceptions, resulted in a return of $53,486.11 to the affected consumers.

Other Business Authorization

Licensees under the Consumer Installment Loan Act must obtain authorization to conduct other businesses on the premises of their loan offices. Prior to granting these other business authorizations, the Division staff investigates each request to ensure that these business activities would not conceal or facilitate evasion or violation of state statute.

Business authorizations have been issued covering the following activities: Automatic Teller Machines, Bank Card Programs, Business Loans, Collection Agency, Credit Card Loans, Income Tax Preparation, Investment Services, Involuntary Unemployment Insurance, Leasing, Liability Insurance, Life, Health and Accident Insurance, Loans by Mail, Loans over $10,000, Mortgage Banking, Motor Club Membership, Non-Filing Collateral Insurance, Open-end Revolving Loans, Premium Financing, Prepaid Legal Services, Property Insurance, Sale of Exchange, Sale of Surrendered Real Estate, and Thrift Club Membership.

DIVISION REVENUES AND EXPENDITURES

The Consumer Credit Division is financially self-supporting in that the fees paid by licensees exceed the cost of operations.

Revenue:	
Examination fees[1]	$ 143,800
Licensing and Renewal fees[2]	$ 454,874
Retaliatory fees[3]	$ 1,286,832
Miscellaneous fees[4]	$ 24,183
TOTAL REVENUE	**$ 1,909,689**
TOTAL EXPENDITURES	**$ 855,110**
REVENUE OVER EXPENDITURES	$ 1,054,579

[1] Examination fees consist of charges of $100 or $300 per examiner per day to conduct examinations of licensee's offices.

[2] Initial licensing and annual renewal fees.

[3] Retaliatory fees are imposed on foreign title insurance companies doing business in Illinois.

[4] Miscellaneous fees include application, investigation, name change, and relocation fees.

STATUTES

Consumer Credit Counseling Corporation Act

The Consumer Credit Counseling Corporation Act authorizes not-for-profit corporations to offer specialized counseling services to over indebted consumers and to handle monies as agents for individual debtors being counseled. This Act also requires that the corporations apply for registration with the Department of Financial Institutions and permits the Director to examine the corporation's records. Seventeen Consumer Credit Counseling Corporations were registered in FY 92.

Consumer Installment Loan Act

Provisions of the Consumer Installment Loan Act authorize the Division to license and regulate the making of loans not exceeding $10,000. Under this statute, the Director has the authority to grant Other Business Authorizations including, but not limited to, the making of loans in excess of $10,000 and the making of loans for business purposes. All loans in excess of $10,000 are regulated by the Department in accordance with the Illinois General Interest Act. Licensed lenders react to the changing lending environment by offering different services to meet consumer needs. As a result, the Department grants a myriad of Other Business Authorizations on a continuous basis.

Consumer Installment Other Business Authorized In Licensed Offices January 1, 1991 - December 31, 1991

An ever increasing number and variety of financial services are being offered by consumer installment loan licensees. These other businesses now account for an average of 66% of our licensees' total income. Categories of other businesses providing the greatest dollar volumes are listed below.

1 Sales Finance		
Number of contracts purchased		215,069
Dollar amount of contracts purchased	$	329,557,340
Gross Income	$	71,827,469
Losses charged off	$	12,519,150
2 Credit Life & Disability Insurance		
Premiums charged	$	85,362,491
Income to licensees	$	5,049,738
3 Business Loans		
Number of loans made		10,194
Total Loans Outstanding	$	1,478,073

CONSUMER INSTALLMENT LOAN ACT
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE
January 1, 1991 - December 31, 1991

	CONSUMER INSTALLMENT LOAN	OTHER BUSINESS	TOTAL
INCOME			
Charges Collected and/or Earned	$134,365,750	$ 255,673,238	$390,038,988
OTHER INCOME			
a) Recording Fees	28,334	80,642	108,976
b) Interest on Bank Balances	202,510	68,288	270,798
c) Insurance Income	1,460,090	2,173,583	3,633,673
d) All Other Income	1,556,013	6,337,220	7,893,233
TOTAL OPERATING INCOME	$137,612,697	$ 264,332,971	$401,945,668
EXPENSES			
Advertising	$ 2,629,150	$ 3,536,121	$ 6,165,271
Auditing	137,026	371,010	508,036
BAD DEBTS			
a) Charge-offs	30,407,221	19,069,600	49,476,821
b) Deduct: Collections	(3,478,686)	(3,484,310)	(6,962,996)
c) Additions to Reserve for Bad Debts	6,562,366	11,281,649	17,844,015
Depreciation & Amortization	913,292	3,558,663	4,471,955
Insurance & Fidelity Bonds	866,763	1,433,518	2,300,281
Legal Fees & Disbursements	1,527,834	1,435,635	2,963,469
Postage, Printing, Stationery & Supplies	2,129,993	3,309,974	5,439,967
Rent, Janitorial Services &-Utilities	4,439,659	6,190,015	10,629,674
Salaries of Officers, Owners & Partners	2,820,614	7,559,446	10,380,060
Salaries of All Other Employees	18,902,119	29,500,121	48,402,240
Taxes-Other Than on Income	1,295,551	1,980,350	3,275,901
License Fees	164,633	201,096	365,729
Telephone & Telegraph	1,237,415	1,971,946	3,209,361
Travel, Auto Expense & Allowance	789,352	1,348,115	2,137,467
Supervision & Administration (when not allocated to other items)	6,460,950	18,445,641	24,906,591
All Other Expenses	6,021,155	10,583,975	16,605,130
Interest Paid on Borrowed Funds	49,042,797	117,562,277	166,605,074
TOTAL EXPENSES BEFORE INCOME TAXES	$132,869,204	$ 235,854,842	$368,724,046
INCOME BEFORE INCOME TAXES	$ 4,743,493	$ 28,478,129	$ 33,221,622
LESS: INCOME TAXES			
State	749,320	3,344,793	4,094,113
Federal	1,484,756	6,161,885	7,646,641
NET INCOME	**$ 2,509,417**	**$ 18,971,451**	**$ 21,480,868**
Average Monthly Expense Per Account	47.54	52.03	49.79

CONSUMER INSTALLMENT LOAN ACT
CONSOLIDATED STATEMENT OF ASSETS
As of December 31, 1991

	CILA	O.B.A. R/E LOANS	SALES FINANCE	ALL OTHER BUSINESS	TOTAL
Cash on Hand & in Banks					$ 10,741,839
Short Term Investments					3,388,847
Receivables					
Gross Receivables	$ 690,815,175	$ 847,830,560	$ 365,402,186	$ 450,153,693	$ 2,354,201,613
Less: Unearned Charges	172,308,730	31,987,950	71,228,788	8,233,699	283,759,166
Net Receivables	518,459,570	815,842,610	294,173,398	441,919,994	2,070,395,572
Less: Reserve for Bad Debts	20,895,764	17,101,605	15,563,842	3,925,334	57,486,545
Adjusted Net Receivables	493,794,350	798,741,005	278,609,556	437,994,660	2,009,139,571
Real Estate (Net of Depreciation)	2,678,833	0	0	1,441,816	4,120,649
Furniture, Fixtures and Autos (Net of Depr.)	4,728,358	0	0	10,104,150	14,832,508
Other Useful in Business	48,779,874	0	0	48,376,902	97,156,776
TOTAL ASSETS	$ 553,797,746	$ 798,741,005	$ 278,609,556	$ 497,917,528	$ 2,143,196,521
Average Number of Accounts Outstanding	232,889	43,666	254,931	79,135	610,621

CONSUMER INSTALLMENT LOAN ACT
DISTRIBUTION OF LOANS BY SIZE AND TYPE OF SECURITY
January 1, 1991 - December 31, 1991

	CILA		OTHER BUSINESS	
	NO.	PRINCIPAL BALANCE	NO.	PRINCIPAL BALANCE
Distribution by Size				
1,000 or less	79,215	$ 42,339,954	239,203	$126,349,777
1,001 to $ 3,000	107,587	202,453,276	96,604	179,201,194
3,001 to $ 5,000	33,977	122,344,116	14,190	56,290,077
5,001 to $10,000	12,110	85,145,023	10,325	67,743,706
10,001 to $25,000	0	0	9,911	153,754,580
25,001 and over	0	0	7,499	348,957,082
TOTAL LOANS MADE	**232,889**	**$452,282,369**	**377,732**	**$932,296,416**
Distribution By Type of Security				
Based in Whole or Larger Part On:				
Household Goods	75,169	$ 137,650,663	122,982	$ 129,762,018
Motor Vehicle	20,812	61,456,232	19,471	100,406,310
Household Goods and Motor Vehicles	14,522	47,165,030	21,047	41,707,967
Other Chattels	15,092	35,382,909	66,410	73,449,637
Comaker Endorsed or Guaranteed	3,219	5,468,865	19	95,039
Wage Assignments	28,909	27,965,085	770	458,664
Unsecured	71,406	111,673,330	115,896	95,085,501
Real Estate	3,760	25,520,255	31,137	491,331,280
TOTAL LOANS MADE	**232,889**	**$452,282,369**	**377,732**	**$932,296,416**

CONSUMER INSTALLMENT LOAN ACT
DELINQUENCY AND LEGAL ACTION SUMMARY
January 1, 1991 - December 31, 1991

	CILA		OTHER BUSINESS	
	NUMBER OF ACCOUNTS	UNPAID PRINCIPAL BALANCE	NUMBER OF ACCOUNTS	UNPAID PRINCIPAL BALANCE
Accounts With No Payment Either of Principal or of Charges For:				
60-89 Days	5,532	$ 8,855,541	6,000	$ 15,837,077
90 Days or More	7,777	16,402,245	8,367	33,301,982
TOTAL	**13,309**	**$ 25,257,786**	**14,367**	**$ 49,139,059**
Delinquency as a Percent of Gross Outstanding Loans	3.2%		3.0%	
Accounts on Which a Bankruptcy Notice was Received During the Year				
Chapter Thirteen	3,568	$ 11,694,346	1,998	$ 10,191,901
All Other Chapters	7,172	22,139,448	3,486	12,299,420
TOTAL	**10,740**	**$ 33,833,794**	**5,484**	**$ 22,491,321**
Number of Wage Assignments Filed	6,953		11,725	
Suits for Recovery of Judgement				
Pending at Beginning of Year	2,031	$ 4,528,610	1,970	$ 5,061,301
Instituted During Year	3,284	8,259,001	2,289	7,741,342
Settled Before Judgement	753	2,135,898	310	1,326,264
Judgement Obtained	2,375	5,407,857	1,473	5,284,637
Pending At Year End	2,129	5,240,300	2,241	6,394,083
Real Estate Foreclosure	97	2,198,200	373	11,335,295
Possession of Security Obtained by Licensee				
Household Goods	196	$ 360,745	68	$ 71,108
Motor Vehicle	745	3,635,443	1,310	2,580,839
Other Chattels	72	197,102	114	461,678
Real Estate	72	1,884,629	134	6,323,443
TOTAL	**1,085**	**$ 6,077,919**	**902**	**$ 9,437,068**

	HOUSEHOLD GOODS	MOTOR VEHICLE	OTHER CHATTELS	REAL ESTATE
Sale of Security by Licensees				
Number	216	1,249	120	119
Amount Due	$ 337,494	$ 3,550,480	$ 280,288	$ 5,262,329
Amount Collected	$ 76,928	$ 1,551,007	$ 100,019	$ 4,217,802

Development Credit Corporation Act

This Act licenses corporations designed to make loans to small or medium-sized businesses unable to obtain financing through more conventional sources. They assist in the development and advancement of business prosperity and economic welfare in the State, encourage expansion of existing industries and the location of new industries, and provide for maximum employment opportunities. The first application to form a Development Credit Corporation was approved in FY 92.

Financial Planning and Management Services Act

The Division licenses and regulates for-profit businesses engaged in managing personal financial affairs. These businesses receive funds from individuals and distribute same to their creditors. DFI's annual examinations ensure adequate budgetary planning for every client, proper contractual procedures, and accurate accounting of payments, deposits, and individual account balances. Each licensee maintains a surety bond in the sum of $7,500 to assure faithful performance of all obligations required under the Act.

Foreign Exchange Act

The Division oversees the business of buying and selling foreign exchange and transmission of money to foreign countries. Governmental departments and corporations organized under the general banking laws of Illinois or of the United States are exempt from the provisions of this Act. For the consumer's protection, each licensed foreign exchange must maintain an approved bond in the sum of $25,000 on deposit with the Department. The Director may without a complaint, and shall upon receipt of a verified complaint, investigate the actions of any licensee.

Motor Vehicle Retail Installment Sales Act

This act regulates the retail installment sale of motor vehicles. The Act requires the lender in the contract to provide certain notices, content and disclosures for the protection of the consumer. The Act includes various limitation, prohibition and enforcement provisions directed toward the operation of the lender's business. Its counterpart is the Retail Installment Sales Act.

Pawners' Societies

The Act allows corporations to loan money on personal property; limits the charges that may be made by such corporations; and requires that such corporations prepare a detailed annual report for the Department of Financial Institutions. As of this date, no Pawners' Societies have been incorporated in Illinois.

Retail Installment Sales Act

This Act regulates the retail installment sale of goods used primarily for personal, family, or household purposes, other than motor vehicles and the retail installment sales of services. This Act is similar to the Motor Vehicle Retail Installment Sales Act in its provisions for the protection of the consumer and operations of the lender's business. The consumer of retail goods purchased using retail installment credit is fully protected.

Safe Deposit Boxes, Safes, and Vaults Act

The Division licenses and regulates the business of keeping and letting safe keeping devices by businesses other than banks and savings and loan associations. Licensees are inspected annually by the Department for compliance with the provisions of the Act; specifically to ensure proper maintenance of records, procedures of entry and opening of boxes, and testing of locks and alarm systems.

Sale of Exchange Act

Eighteen companies are in the business of selling or issuing exchange at multiple locations through agents, sub-agents or representatives as a service or for a fee or other consideration. The Act is not applicable to government departments, corporations organized under the general banking laws of Illinois or the United States who issue or sell their exchange, and persons licensed under the auspices of the Currency Exchange Act.

Exchange is defined as any check, draft, money order or other written instrument for transmission or payment of money or credit excluding money or currency. Those authorized to operate under the Sale of Exchange Act furnish a surety bond of up to $1,000,000, submit an annual report to the Department on or before the first day of December for the preceding fiscal year and are audited annually by certified public accountants who submit a copy of their report to the Department.

Sales Finance Agency Act

As defined by the Illinois Sales Finance Agency Act; the regulations and licensing of the activity of "(p)urchasing or making loans secured by retail installment contracts, retail charge agreements or the outstanding balances under such contracts or agreements" is protected. As of June 30, 1992, there were 227 licensees operating under said statute. Each of these licensees are examined annually to ensure compliance with the Act and appertaining Rules in conjunction with the following statutes:

- Retail Installment Sales Act
- Motor Vehicle Retail Installment Sales Act
- Federal Trade Commission credit rules.

Title Insurance Act

There are twenty-two title insurance companies certified to conduct the business of guaranteeing or insuring titles to real estate in Illinois. Under the Title Insurance Act all title insurance agents must be registered with the Department. There are over 2,300 title insurance agents registered and issuing title insurance policies for the certified companies.

The companies are examined annually to ensure acceptable management practices and to verify that there is no evidence of financial impairment. Title insurance agents may be examined by the Department only upon the showing of good cause and with the cooperation of the title insurance companies.

For the protection of the insured, each certified title insurance company deposits with the Department $50,000 in approved securities plus an additional $5,000 for each county in which the company operates, up to a maximum of $500,000. If the Company operates in a county of more than 500,000 inhabitants, the deposit is automatically the maximum amount of $500,000.

Nineteen of the twenty-two title insurance companies certified to do business in Illinois are domiciled in another state and are subject to the retaliatory provisions of the Act. As a result, the Department collected $1,286,831.76 in retaliatory fees. A comparative consolidated balance sheet and income statement of the title insurance companies for the periods ending December 31, 1991 and December 31, 1990 follows.

TITLE INSURANCE ACT LICENSEES

California	Ticor Title Insurance Co. of California	Los Angeles
	Ticor Title Insurance Company	Los Angeles
	Security Union Title Insurance Co.	Pasadena
	Transamerica Title Insurance Co.	Dublin
	First American Title Insurance Co.	Santa Ana
Florida	American Title Insurance Company	Miami
	Attorneys' Title Insurance Fund, Inc.	Orlando
Illinois	Attorneys' Title Guaranty Fund, Inc.	Champaign
	Chicago Title Insurance Company	Chicago
	Chicago Title and Trust Company	Chicago
	McHenry County Title Company	Woodstock
Kansas	TRW Title Insurance Company	Overland Park
Louisiana	United General Title Insurance Company	Baton Rouge
Minnesota	Title Insurance Company of Minnesota	Minneapolis
New York	TRW Title Insurance of New York, Inc.	Floral Park
	Security Title and Guaranty Co.	New York
North Carolina	Midwest Investors Title Insurance Co.	Chapel Hill
Ohio	National Land Title Insurance Company	Strongsville
Pennsylvania	Industrial Valley Title Insurance Co.	Devon
	Commonwealth Land Title Insurance Co.	Philadelphia
Texas	Stewart Title Guaranty Company	Houston
Virginia	Lawyers Title Insurance Corporation	Richmond

COMPARATIVE CONSOLIDATED BALANCE SHEET

	1991	1990
ASSETS:		
Bonds (1)	$1,014,774,451	$ 959,026,805
Preferred Stock (2)	30,245,644	25,804,648
Common Stock	685,721,357	642,822,892
Mortgage Loans on Real Estate	47,319,903	46,393,838
Real Estate Occupied by the Company (3)	51,310,597	57,554,990
Other Properties (3)	24,227,656	20,895,277
Collateral Loans	13,267,832	11,364,337
Cash on Hand and on Deposit	281,734,212	229,508,580
Short Term Investments	349,344,026	434,942,632
Title Plant	163,265,386	160,985,237
Title Insurance Premiums & Fees Receivable	74,938,564	76,714,095
Federal Income Tax Recoverable	43,993,433	22,634,651
EDP Equipment	24,785,385	24,266,824
Interest, Dividend & Real Estate Income Due & Accrued	28,810,300	27,802,399
Other Assets	33,278,790	34,504,920
Due from Affiliates, Subsidiaries	71,458,186	44,602,126
Total Assets (4)	$2,938,475,722	$2,819,824,251
LIABILITIES:		
Losses Adjusted but Unpaid, Due and to Become Due	$ 50,900,644	$ 4,099,985
Reserve for Undetermined Title Losses - Notice Rec'd	265,513,997	288,133,382
Statutory Premium Reserve	908,714,990	867,568,755
Other Reserves	14,052,417	13,000,572
Charges Due Attorneys, Agents, Real Estate Brokers	948,627	1,684,727
Other Expenses (Excluding Taxes, Licenses & Fees)	175,083,085	101,767,393
Taxes, Licenses & Fees	17,228,998	16,093,971
Federal Income Tax	13,446,428	39,879,452
Borrowed Money	2,096,386	11,215,894
Interest on Borrowed Money	613,339	435,387
Accounts and Notes Payable	154,460,694	115,321,647
Premiums Received in Advance	1,956,227	1,777,552
Withheld or Retained for Accounts of Others	230,053,880	232,415,012
Dividends Declared and Unpaid	6,292,000	2,640,000
Long-Term Obligations	7,805,938	6,633,462
Total Liabilities	$1,849,167,650	$1,702,667,191
SURPLUS AND OTHER FUNDS:		
Capital Paid Up	$ 235,557,388	$ 224,568,438
Gross Paid In and Contributed Surplus	422,987,949	436,936,650
Special Surplus Funds	4,551,406	24,601,405
Unassigned Funds (Surplus)	426,211,329	430,057,117
Treasury Stock - Shares Common	- 0-	993,450
Treasury Stock - Shares Preferred	- 0-	- 0-
Surplus as Regards Policyholders	$1,089,308,072	$1,117,157,060
TOTAL LIABILITIES, SURPLUS & OTHER FUNDS	$2,938,475,722	$2,819,824,251

FOOTNOTES:

(1) Bonds listed at Amortized Book Value (3) Book Value of Real Estate less Encumbrances

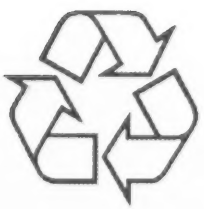
(2) Stock listed at Market Value (4) Net Admitted Assets

COMPARATIVE CONSOLIDATED STATEMENT OF INCOME AND EXPENSES

	1991	1990
OPERATING INCOME		
Title Insurance Premiums Earned	$ 2,821,765,914	$ 2,970,397,730
Service Charges:		
Title Examinations	106,606,418	90,710,657
Searches and Abstracts	59,550,932	50,854,216
Surveys	917,131	883,808
Trustee, Agency and Escrow Fees	128,651,878	115,930,477
Other Title Fees	55,524,906	84,170,240
Mortgage Division Income	0	0
Other Operating Income	20,182,686	36,222,805
Total Operating Income	$ 3,193,199,865	$ 3,349,174,933
Deduct:		
Losses and Loss Adjustment Expenses Incurred	$ 337,283,494	$ 346,238,917
Operating Expenses Incurred	3,047,860,899	3,193,466,796
Other Deductions	682,088	221,096
Total Operating Deductions	$ 3,385,826,481	$ 3,539,926,809
Net Operating Gain/(Loss)	($ 192,626,616)	($ 190,751,876)
INVESTMENT INCOME		
Net Investment Income Earned	$ 168,492,130	$ 184,817,595
Net Realized Capital Gains and (Losses)	24,344,862	18,190,005
Net Investment Gain or (Losses)	$ 192,836,992	$ 203,007,600
NET INCOME BEFORE FEDERAL INCOME TAXES	$ 210,376	$ 12,255,724
FEDERAL INCOME TAXES INCURRED	(22,999,560)	(4,940,607)
NET INCOME	$ 23,209,936	$ 17,196,331

DIRECT PREMIUMS WRITTEN IN ILLINOIS (Calendar Year 1991)

COUNTY	AMOUNT	COUNTY	AMOUNT	COUNTY	AMOUNT
ADAMS	$ 224,562	HARDIN	$ 9,156	MORGAN	$ 90,527
ALEXANDER	17,286	HENDERSON	728	MOULTRIE	11,684
BOND	34,148	HENRY	78,555	OGLE	184,542
BOONE	172,687	IROQUOIS	134,614	PEORIA	850,248
BROWN	6,406	JACKSON	134,361	PERRY	50,697
BUREAU	102,226	JASPER	4,346	PIATT	66,272
CALHOUN	3,907	JEFFERSON	148,522	PIKE	59,578
CARROLL	45,730	JERSEY	32,868	POPE	0
CASS	26,467	JODAVIESS	100,756	PULASKI	6,240
CHAMPAIGN	835,319	JOHNSON	29,648	PUTMAN	12,683
CHRISTIAN	82,538	KANE	3,182,376	RANDOLPH	51,236
CLARK	12,703	KANKAKEE	472,083	RICHLAND	11,919
CLAY	47,233	KENDALL	32,052	ROCKISLAND	609,482
CLINTON	149,503	KNOX	164,094	ST. CLAIR	1,105,169
COLES	96,990	LAKE	4,496,353	SALINE	45,399
COOK	33,082,307	LASALLE	413,546	SANGAMON	822,156
CRAWFORD	20,777	LAWRENCE	25,388	SCHUYLER	14,088
CUMBERLAND	855	LEE	130,495	SCOTT	12,311
DEKALB	416,722	LIVINGSTON	132,083	SHELBY	46,962
DEWITT	56,318	LOGAN	98,770	STARK	22,513
DOUGLAS	70,331	MCDONOUGH	95,463	STEPHENSON	270,842
DUPAGE	7,264,287	MCHENRY	1,173,117	TAZEWELL	471,812
EDGAR	29,622	MCLEAN	859,801	UNION	41,483
EDWARDS	934	MACON	494,077	VERMILLION	173,364
EFFINGHAM	155,343	MACOUPIN	54,243	WABASH	5,498
FAYETTE	45,519	MADISON	972,101	WARREN	62,790
FORD	49,012	MARION	176,157	WASHINGTON	55,529
FRANKLIN	79,319	MARSHALL	43,961	WAYNE	10,113
FULTON	75,306	MASON	16,835	WHITE	16,579
GALLATIN	20,350	MASSAC	24,911	WHITESIDE	218,054
GREENE	22,037	MENARD	60,368	WILL	2,377,390
GRUNDY	249,060	MERCER	30,553	WILLIAMSON	115,799
HAMILTON	10,097	MONROE	123,561	WINNEBAGO	1,037,545
HANCOCK	43,729	MONTGOMERY	83,670	WOODFORD	81,731
Total					$ 66,591,477



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